Involving panchayats in rural electrification

2478. SHRI A. VIJAYARAGHAVAN: Will the Minister of POWER be pleased to state:

(a) whether there is any proposal to involve panchayats for rural electrification project;

(b) if so, the details including the financial allocation/support and the nodal agency designated for the purpose, State-wise, as on today;

(c) if so, whether above project envisages a mechanism in which State Government will pay a fee to franchisee for execution and satisfactory maintenance of the project;

(d) if so, the details thereof;

(e) if so, whether there is any proposal for capital subsidy to States for rural electrification; and

(f) if so, the details and the subsidy estimated State-wise, as on today, category-wise;

THE MINISTER OF POWER (SHRI P.M. SAYEED): (a) to (f) Under "Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)", introduced in April, 2005, it is proposed to involve Panchayat institutions, amongst others, in the management of rural distribution through franchisees who could be Non-Governmental Organisations (NGO's), User Association, Cooperatives or Individuals Entrepreneurs. Electricity Act, 2003 provides that the Central Governmental shall also formulate a national policy, in consultation with the State Governments and the State Commissions, for rural electrification and for bulk purchase of power and management of local distribution in rural areas through Panchayat Institutions, users' associations, co-operative societies, Non-Governmental Organizations or franchisees.

Rural Electrification Corporation Ltd. has been designated as the nodal agency for implementation of the Programme and the funds would be routed through REC.

Rural Electrification Corporation Ltd. (REC) have requested the implementing agencies and State Governments to set up a franchisee framework for management of distribution of electricity in rural areas

where the projects have been sanctioned. Section 14 of Electricity Act, 2003 provides that:

"The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person—

(a) to transmit electricity as a transmission licensee; or

(b) to distribute electricity as a distribution licensee; or

,(c) to undertake trading in electricity as an electricity trader;

in any area as may be specified in the licence".

Fee/Commission to the franchisee will be on commercial basis and selection of the franchisee will depend on the decision of the State Government and State Utility.

Under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), 90% capital subsidy would be provided to the States/Union Territories for overall cost of the projects and the balance 10% shall be provided as loan on soft terms by REC. For Phase-I of the scheme (2005-06 and 2006-07) Government has approved Rs. 5000 crore as capital subsidy. The State-wise subsidy under the scheme is on pro-rata basis.

Hike in power rates after privatisation in Delhi

† 2479. SHRI PYARELAL KHANDELWAL: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that following privatization of power thare has been a steep hike in the rates particularly in Delhi since the distribution system was entirely placed in private hands;

(b) whether it is also a fact that people are facing problems due to privatization;

(c) if so, the efforts being made by Government to save people from exploitation by the said companies;

(d) whether Government are aware of the problems/troubles caused by the situation;

† Original notice of the question was received in Hindi.